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Bill No. HB2

Fully Fund Big Sky Rx

Prescription Drug Assistance for Seniors and People with Disabilities

Big Sky Rx has established itself as a popular program and a valuable component of senior services that helps reduce health care costs and increase quality of life for low income elders. Please consider the following points:

- Big Sky Rx helps some of our neediest seniors pay for prescription drugs. Big Sky Rx currently helps nearly 11,000 seniors pay for Medicare Part D Rx coverage. These Montanans have incomes between zero and 200% FPL (that's \$29,140/year for a couple). When voters approved an increase in the tobacco tax in 2004, they directed the use of the revenue to fund prescription drug assistance creating Big Sky Rx.
- Current funding in HB 2 for Big Sky Rx leaves 7,383 without drug coverage. The current appropriation limits eligibility at 135% FPL (max income for a couple of \$19,670/year). The people being cut off Big Sky Rx are on fixed incomes and likely will have difficulty affording their medications. This only leads to more expensive health conditions and people spending down so Medicaid picks up the tab.
- Medicare beneficiaries with incomes at or below 200% of FPL need assistance obtaining necessary prescription drugs. Average out of pocket costs for Medicare beneficiaries in 2011 are projected to be \$5,114 per person¹. For a couple at 200% FPL, average medical costs consume over 1/3 of their total income. For a couple at 150% FPL, average medical costs exceed 45% of their total income. Without Big Sky Rx, a couple on Medicare will have to pay \$902 per year for the Part D premium. Some will simply be unable to pay the premiums and, as a result, they will lose access to necessary medications.
- A number of Montana human service programs assist people over 135% FPL. Because health care, heat, and other basic necessities are expensive, but critical to quality of life, Montana helps low income people up various income levels. Here are some examples: Low Income Energy Assistance 200% FPL; Insure Montana proposed limit of 300% FPL; Healthy Montana Kids 250% FPL; Montana Comprehensive Health Association 200%.
- Big Sky Rx saves money because people who don't have drug coverage cost the health care system much more. Patients who cut pills or don't fill subscriptions have higher rates of hospitalization and may account for wasting around 13% of total health care expenditures, according to the New England Healthcare Institute. Seniors on Big Sky Rx can afford drugs so taking meds as prescribed is more likely.
- Our members still say paying for drugs is a top concern for them. In 2004 when seniors voted to approve an increase in the tobacco tax it was because they wanted a program to help them pay for prescription drugs as was specified in the initiative. **Last year, the cost of brand name drugs went up 8.3% when general inflation went down .03%.** No one saw an increase in their Social Security check. It's no wonder that seniors continue to be worried about paying for pharmaceuticals.

¹ Medicare Out-Of-Pocket Costs, Eliot Fishman, Dennis Shea and Suzanne Tamang, Commonwealth Fund, 2008, page 14;
http://www.commonwealthfund.org/~media/Files/Publications/Fund%20Report/2008/Mar/Medicare%20Out%20of%20Pocket%20Costs%20%20Ca%20Private%20Savings%20Incentives%20Solve%20the%20Problem/Fishman_Medicareout%20of%20pocketcosts_1113%20pdf.pdf